

# News Release



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## **Labor Department Obtains Judgment Requiring D.C. Insurance Broker to Restore More Than \$950,000 to Clients' Employee Benefit Plans**

**WASHINGTON--** The U.S. Department of Labor obtained a judgment ordering Washington, D.C.-based A & D Insurance, Inc. and its president to restore \$955,515 to its employee benefit plan clients. The defendants allegedly deposited money collected to purchase insurance for the 27 plans into the company's corporate accounts.

"The hardworking men and women whose plans invested with A & D Insurance trusted the insurers to preserve their union-sponsored pension and health benefits," said Secretary of Labor Elaine L. Chao. "This Administration is committed to protecting the benefits of America's workers and retirees, and we won't hesitate to act to ensure that plan assets are managed responsibly. This year, we achieved record monetary results, recovering \$3.1 billion in retirement, 401(k), health and other benefits."

The judgment, entered in the federal district court in Washington, D.C., resulted from a 2002 lawsuit filed by the department. In a memorandum filed Dec. 17, 2004, the judge ruled that from August 1996 to August 2002, A & D Insurance, Inc. and its president Brittian P. Day were paid by the plans to purchase insurance. Instead, the defendants deposited the plans' money into A & D's corporate accounts and provided the plans with false insurance policies in violation of the Employee Retirement Income Security Act (ERISA). The judgment also bars the company and Day from serving in a fiduciary capacity to any plan governed by ERISA in the future, including acting as an insurance agent, broker or representative in any capacity to ERISA plans.

The plans include the pension, annuity, health and vacation funds of Ironworkers Local Union No. 16; the pension, health and welfare, and vacation funds of Bricklayers and Allied Craftmen Local No. 1 of Maryland, Virginia, and the District of Columbia-Baltimore Chapter; Bricklayers and Allied Craftmen Local No. 1 Pension Fund of Virginia; Bricklayers and Stonemasons Local No. 2 Pension Fund of Norfolk, Va. and Welfare Fund of Norfolk, Va.; Iron Workers Local Union No. 5 and Iron Workers Employers Association Employees' Pension Fund; Iron Workers Trust Fund Local Union No. 5; Iron Workers Local Union No. 5 and Iron Workers Employers Association Apprenticeship Fund; the pension, welfare and individual account funds of the Marble Tile & Terrazzo Workers; International Union of Painters and Allied Trades District Council 51 Health & Welfare Fund; Washington Area Carpenters Pension & Retirement Fund; Mid-Atlantic Regional Council of Carpenters' Health Fund; the pension and health and welfare trust funds of Beverage and Brewery Drivers Local No. 67; Criss Brothers, Inc./Shopmen's Local Union No. 486 Retirement Trust Fund; the pension, welfare, vacation and apprentice funds of Rodman Local; and the legal services, pension and welfare funds of the Warehouse Employees Union Local No. 730 & Contributing Companies.

In August 2004, Day was indicted for embezzlement of plan assets and mail and wire fraud connected to the scheme. If convicted of the charges, Day faces up to 20 years on each of the mail fraud counts and 10 years each on the wire fraud and theft counts. The Philadelphia regional office of the Labor Department's Employee Benefits Security Administration (EBSA) and the Federal Bureau of Investigation investigated the criminal case. The U. S. Attorney's Office for the District of Columbia is prosecuting the case.

In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can reach EBSA's Washington district office at (301) 713-2000 or through EBSA's toll-free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector retirement and health plans.

(Chao v. Brittian P. Day)  
Civil Action No. 02-1516 (LFO)